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Congress of the United States

House of Representatives

COMMITTEE ON WAYS AND MEANS

1102 LONGWORTH HOUSE OFFICE BUILDING
(202) 225-3625

Washington, DC 20515-6348

<http://waysandmeans.house.gov>

May 15, 2001

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Mr. Brian Gallagher
Editorial Page Editor
1000 Wilson Blvd.
Arlington, VA 22229

Dear Mr. Gallagher:

I read with interest the "Editorial/Opinion in your paper today entitled "Weigh risks before sending Social Security to market." At kitchen tables across America, more and more families are talking about the challenges facing Social Security and what should be done. Commentary such as yours today, has a real impact on those discussions. It helps if the discussions are based on facts.

In your editorial, you say "Yet in 2016, Social Security will run out of cash, according to the latest Social Security trustees report." This is not quite right. In 2016, Social Security's costs will exceed its yearly income from payroll taxes and taxes on benefits. However, the trust funds can continue to pay benefits by redeeming bonds guaranteed by the U.S. Government and credited to the program during periods of excess payroll taxes. This allows the program to keep paying benefits until 2038. So if we don't change the current system we run out of cash in 2038!

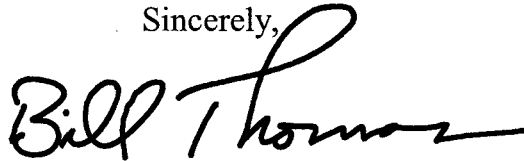
Moreover, despite the fact that the President's principles for Social Security reform do not include "privatization" of Social Security, your editorial uses the word "privatization" eleven times. In addition, in the editorial opinion which follows yours, Jim Kolbe from Arizona presents a thoughtful discussion on the benefits of a market-based approach to Social Security reform. Not once does Mr. Kolbe use the term "privatization," yet your paper entitles this opinion "Privatize system now."

In fact, there isn't a single plan scored by the Social Security Administration's Office of the Actuary that would "privatize" Social Security. All personal account plans maintain Social Security as a solid base of income. Plans that include personal accounts will add new features to strengthen Social Security, not weaken or destroy it. For example, personal accounts offer the opportunity to save particularly for low income

workers with few resources to accumulate wealth and little hope of leaving an inheritance to their children.

Now more than ever, it is important that the public receive accurate information about the condition of and the need to strengthen Social Security programs. The commission is faced with difficult choices, as mentioned in your article. Forums such as yours can be invaluable in providing needed facts, or as your recent effort illustrates, in dispensing mis-characterizations and factual errors. We hope your paper continues to be the important educational forum it has been in the past. Getting the information right should be your first and foremost responsibility.

Sincerely,

A handwritten signature in black ink that reads "Bill Thomas". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bill Thomas
Chairman